

ECONOMIC DEVELOPMENT

Economic Development Division
Redevelopment Agency
Asset Management



MIAMI BEACH
FLORIDA'S **24-HOUR** MARKETPLACE
ECONOMIC DEVELOPMENT DEPARTMENT | REDEVELOPMENT AGENCY

ELECTED OFFICIALS

Mayor: David Dermer

Commissioners:

Matti Bower Simon Cruz
Luis Garcia Saul Gross
Jerry Libbin Richard Steinberg

CITY ADMINISTRATION

Jorge M. Gonzalez, City Manager
Tim Hemstreet, Assistant City Manager
Jose Smith, City Attorney
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ECONOMIC DEVELOPMENT

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STRATEGIC PLAN

During FY 2006/07, the Department will continue to work to identify, develop, and implement innovative, creative programs support the goals of the City's Strategic Plan:

- Increase resident ratings of public safety services through the funding of a community policing program within the City Center Redevelopment Area;
- Increase resident satisfaction with the availability of commercial service options and enhancing quality of life by targeting new businesses that provide 'neighborhood goods and services';
- Enhance access to the labor pool by accessing detailed information on the local job market and working with other affected agencies;
- Increase access to workforce or affordable housing through housing market research, working with the City's partners, analyzing legislative proposals, working with businesses and providers, pursuing funding opportunities, and identifying creative approaches;
- Improve parking availability by working with other departments to identify parking development and joint venture opportunities;
- Maintain or improve traffic flow by pursuing state and federal funding support of the City's transportation projects;
- Preserve our beaches by monitoring beach concession activity, pursuing state and federal renourishment funding, and seeking a long-term sand source solution;
- Improve the City's overall financial health and maintain overall bond rating by developing an automated contract tracking mechanism, attracting private capital investment to the City, and pursuing state and federal funding, supporting legislative "protection" of the citywide Wi-Fi initiative, and enhancing the Redevelopment Area's infrastructure, streets and parks, and encourage the production and presentation of arts and cultural activities.

"We are dedicated to enhancing the City's economy and business environment by attracting business and investment to the community, balancing private sector needs with neighborhood quality of life issues, maximizing the efficient use of City properties, implementing the objectives of the Redevelopment Plan, and pursuing the City's state and federal legislative objectives."

ECONOMIC DEVELOPMENT DEPARTMENT

The Economic Development Department is responsible for carrying out our mission statement through the efforts of the Economic Development Division, the Redevelopment Agency, and the Asset Management Division.

The Department monitors the local economy and conducts market research, which insures that both the business/investment community and the City have the most up-to-date, broadest range of market and economic information. The Department meets with potential investors and entrepreneurs to promote the benefits of investing in operations in Miami Beach. The Department supports the City Manager's Office and other Departments by coordinating the efforts of the City's lobbying teams to secure funding from other governmental entities and to change legislation in the best interest of the City. The Department is charged with the administration of municipal policies and regulations pertaining to the acquisition, development, management, disposition, and leasing of City-owned property, including concessions on City-owned property, beaches, and public rights-of-way. The Department also addresses the objectives of the Redevelopment Plan and the continued redevelopment and revitalization of the area, within the context of the New World Symphony's expansion plans and the enhancement of the Convention Center and businesses in the area.

ECONOMIC DEVELOPMENT DIVISION

The primary functions of the Economic Development Division are business assistance, attracting and supporting private capital investment, market research, and legislative affairs. The Division works with businesses and organizations in order to enhance the City's business environment and to promote the overall image of the City's commercial districts; identifies and implements strategies and programs to expand, develop, recruit and retain businesses; conducts research in order to provide as much economic information as possible to existing and potential investors; applies private sector standards for responsiveness and customer satisfaction in order to encourage investment; works with the State and Federal governments to further the City's interests; and balances private sector needs with neighborhood quality of life issues.

ASSET MANAGEMENT DIVISION

The Asset Management Division oversees City facilities and beachfront concessions. The Division works to maximize the use of City properties and facilities in order to address the City's workforce space needs and to address the needs of the community based organizations involved in cultural arts, education, workforce development, and senior and children programming in conjunction with a well developed City-property inventory system.

The Division also works to enhance the City's beachfront through the use of professional administration of beachfront concession programs and to ensure that positive limited amenities are provided for the enjoyment of the citizens, tourists, and community at large.

MIAMI BEACH REDEVELOPMENT AGENCY

The Miami Beach Redevelopment Agency (RDA) was created in 1973 under the authority of Florida's Community Redevelopment Act of 1969, which sought to encourage economic development in blighted areas. The Community Redevelopment Act of 1969 allows for the designation of special districts known as Community Revitalization Areas (CRAs) and confers upon the CRA's governing board special regulatory abilities. These abilities include issuing revenue bonds, utilizing tax increment financing (TIF), and exercising limited powers of eminent domain within its boundaries.

From 1973 through 1983, the Miami Beach RDA operated as an independent authority with a Board of Commissioners. In 1983, the RDA was reorganized and incorporated into the City of Miami Beach administrative structure. The City Commission serves as the Redevelopment Agency Board and the City Manager serves as its Executive Director.

ECONOMIC OVERVIEW

Population	93,535
Population Density (Residents per Sq. Mi.)	13,362
Seasonal Residents	14,917
Households	49,229

Single Family Homes	5,603
Condominiums	37,119
Apartments	22,461

Labor Force	48,804
Employed	46,950
Unemployed	1,854
Unemployment Rate	3.8%

Overnight Visitors	4,897,700
South Beach Visitors	8,064,120
Hotel Occupancy Rate	81.7%
Average Room Rate	\$215.62
Average Annual RevPAR	\$40,689
Hotel Rooms	17,028

Median Condominium Price	\$335,000
Median Single Family Home Price	\$1,085,000

Number of Businesses	3,597
Total Jobs	47,678
Average Wage	\$30,850
Average Employee Productivity	\$132,840
Average Labor Cost	23.2%

Office Space (square feet)	1,951,629
Office Vacancy Rate	12.6%

Key Industries:

Accommodations & Food Services	\$1,483,739,668
Health Care	\$1,051,219,739
Retail Trade	\$877,059,599
Construction	\$454,884,107
Wholesale Trade	\$436,863,506
Professional Services	\$377,010,896
Finance & Insurance	\$321,365,340
Real Estate & Rental & Leasing	\$306,367,061
Information	\$285,328,861
Arts Entertainment & Recreation	\$151,449,796
Other Services	\$132,371,163

GOALS AND PROGRAM OF WORK

Goals - Increase the availability of commercial service options; Increase access to a trained workforce; Ensure financial stability.

1. Improve transparency of economic and demographic data

Maintain and update databases; maintain a master source and methodology document; identify an acceptable methodology to identify additional, but realistic tourist demand; identify a reliable source for apartment rent information; secure reliable estimates of income.

2. Publish Miami Beach Economic Census Information

3. Analyze the marketplace

Identify significant excess market capacity to recruit new businesses; identify excess market capacity to identify expansion opportunities for existing businesses; and identify opportunities to increase business revenues, assist struggling industries and elevate revenues and wages.

4. Evaluate the City's business community

Identify dominant industries, retail and service infrastructure, underperforming industries, and high-wage industries.

5. Analyze the labor force and the job market

Identify the resident labor force surplus or deficit for each industry.; analyze the regional competitiveness of wages paid by each industry; compile demographic information on the City's non-resident workforce; analyze job growth and labor force growth; identify employee recruitment opportunities for the City's employers.

6. Identify other factors to consider to prioritize industries

Identify category killer opportunities and threats; Identify existing and future category killer penetration from the mainland; compare the local demographic characteristics and the differences from the larger marketplace; encourage investment that is compatible with the City's high-density, mixed-use urban environment; analyze additional visitor demand.

7. Identify target industries

8. Identify industry specific issues

Real estate issues (available space, cost, taxes), analyze economic viability within the marketplace, parking requirements.

9. Match targeted industries with neighborhoods

10. Match targeted industries with potential incentive programs

DOMINANT INDUSTRIES

Supermarkets
Cosmetics, beauty supplies, perfume stores
Optical goods
Jewelry stores
Art dealers
Music publishers
Interior design services
Photographic services
Physician offices
Outpatient care centers
Hospitals
Accommodations (hotels)
Full-service restaurants
Limited-service eating places
Drinking places (alcoholic beverages)
Hair, nail and skin care services

COMPETITIVE WAGE INDUSTRIES

Newspaper, periodical, book & directory publishers
Offices of lawyers
Architectural & engineering services
Management consulting services
employment services
Broadcasting
Computer systems design and related services
Manufacturing
Wholesale trade
Motion picture & sound recording industries

RETAIL AND SERVICE INFRASTRUCTURE

Insufficient Supply (recruitment targets)

Auto parts	Electronics and appliances
Building materials	Men's clothing
Children's clothing	Shoe stores
Clothing accessories	Hobby, toy & game stores
Department stores	General merchandise
Consumer goods rental	Accounting services
Business service centers	Book and music stores
Used merchandise	Pet & pet supplies
Physical Therapists	Dentist offices
Auto repair	Child day care

Underperforming (retention targets)

Furniture stores	Home furnishings
Gas stations	Women's clothing
Pharmacies and drug stores	Special food service
Convenience stores	Beer, wine & liquor stores
Family clothing	Sporting goods
Florists	Educational services

CERTIFICATE OF USE AND OCCUPATIONAL LICENSE

All business owners are required to obtain both a City of Miami Beach Certificate of Use and an Occupational License to operate a business within the City. Operating a business without a license is prohibited. A Miami-Dade County Occupational License (305-270-4949) must also be obtained. For more information, call the Finance Department's Occupational Licensing Office at 305-673-7420 or 305-673-7590.

A Certificate of Use (C.U.) is a pre-requisite to the issuance of a City of Miami Beach Occupational License. The C.U. fee must be submitted at the time of application and each year thereafter by May 31. Inspections by the Building Department, Fire Department, Planning Department, and others, must occur following the submission of an application. Application must be either made on-line at www.miamibeachfl.gov or in person at City Hall, Licensing Office, 1700 Convention Center Drive, first floor.

SOLE PROPRIETORSHIPS, PARTNERSHIPS AND CORPORATIONS

Your first decision as a business owner is to determine the legal structure of your business. Your choice determines what kind of taxes the business must pay, who's liable and what forms are necessary. There are four main choices: Sole Proprietorship, Partnership, Corporation or Limited Liability Company. In a sole proprietorship, the owner has absolute authority over all business decisions. In a partnership, two or more partners share control of the business. Contact the Florida Department of State for more information at 850-488-9000 or visit them online at www.sunbiz.org. If you are forming an S corporation, you must also file with the Internal Revenue Service.

STATE AND FEDERAL TRADEMARKS

A trademark or service mark may be registered with the Florida Division of Corporations for use and protection only in the state of Florida. For protection of your trademark in the entire U.S., including Florida, you must register it with the U.S. Patent and Trademark Office. For information about registering in Florida, call 850-245-6051 or check the Division of Corporation's website at www.sunbiz.org. For information regarding federal registration, contact the U.S. Patent and Trademark Office, 800-786-9199 or visit them online at www.uspto.gov.

USEFUL START UP INFORMATION

The Small Business Administration's small business guide (http://www.sba.gov/starting_business/startup/guide.html) is intended to serve as a roadmap for starting a business. It is both comprehensive and easy to use. It also includes numerous electronic links for additional information. Use this powerful interactive tool, with many supporting resources to help you start a successful business.

ENTERPRISE ZONE

The Miami Beach Enterprise Zone covers areas of the South Beach and North Beach commercial districts, including South Pointe, Washington Avenue, Ocean Drive, Collins Avenue, and 71st Street. The incentives offered to businesses expanding in or relocating to an Enterprise Zone include Property Tax Credits, tax credits on wages paid to Enterprise Zone residents, and Sales Tax Refunds. Visit www.floridaenterprisezone.com for more information. Enterprise Zone businesses may be eligible for Federal Workforce Training benefits. Maps of Miami Dade County's Enterprise Zones can be found at http://www.miamidade.gov/ced/ez_maps.asp.

TECHNICAL ASSISTANCE

Counseling and educational programs are also available through Miami Dade County's Enterprise Community Center (<http://www.miamidade.gov/ced/workshops.asp>), located at 3050 Biscayne Boulevard., Suite 201, in Miami. Call 305.579.2730 to schedule an appointment. The Enterprise Community Center serves as a one-stop capital shop, offering a full array of technical assistance and financial services to businesses and entrepreneurs throughout Miami-Dade County. The ECC houses public lenders, banks, and local development agencies, as well as a Small Business Resource Center Library offering state-of-the-art information.

Small Business Development Centers offer locations in all of Florida to provide small business entrepreneurs with FREE counseling, management training, and information for prospering in the global economy. If you need to contact a certified business analyst to provide you with financial assistance or industry-specific counseling, please visit Florida SBDC (<http://www.fsbdc.com>).

Counselors to America's Small Business", SCORE is a non-profit association that provides small business entrepreneurs with FREE counseling (either in person or via email). If you are ready to ask questions about starting or expanding a small business, please visit SCORE (<http://www.score.org/findscore/>) and make a counseling appointment today.

SBA's network of more than 60 Women's Business Centers (<http://www.onlinewbc.gov>) provide a wide range of services to women entrepreneurs at all levels of business development.

LOAN PROGRAMS

Miami-Dade County offers several loan programs. The Community Development Revolving Loan Fund assists businesses seeking financial assistance for start-up and expansion. Loans can be awarded up to a maximum of \$500,000 for working capital and fixed assets. Businesses located in the Enterprise Zone are among those eligible for assistance through this program. For more information, go to www.ezonetrust.org. The Micro Enterprise Assistance & Peer Lending Program assists entrepreneurs in building a strong credit history by borrowing incremental amounts of loan funds, develop stronger business skills, share business ideas, and provide support in a peer group setting. The program also provides direct loans up to \$25,000. Contact 305.438.1407 for more information.

The South Florida Regional Planning Council offers a Revolving Loan Fund that is available to existing businesses looking to expand or relocate their business, create and/or retain jobs. Loan amounts range from \$50,000-\$300,000. Contact Cheryl D. Cook at 954.985.4416 for more information.

The Small Business Administration offers several local programs that provide financial aid to small businesses. Contact the local SBA office in Florida for assistance: Miami SBA office (<http://www.sba.gov/fl/south/>). A few of the most popular SBA loan programs are: Basic 7(a) Business Loan, Micro-Loans, and the CDC/504 Program.

The Basic 7(a) Business Loan Program: All 7(a) loans are provided by lenders who are called participants because they participate with SBA in the 7(a) program. 7(a) loans are only available on a guaranty basis. This means they are provided by lenders who choose to structure their own loans by SBA's requirements and who apply and receive a guaranty from SBA on a portion of this loan. The SBA does not fully guaranty 7(a) loans. For more information, visit <http://www.sba.gov/financing/sbaloan/7a.html>.

The Micro-Loan Program: The Micro-Loan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. For more information, visit <http://www.sba.gov/financing/sbaloan/microloans.html>.

CDC/504 Loan Program: The CDC/504 loan program is a long-term financing tool for economic development within a community. The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A Certified Development Company is a nonprofit corporation set up to contribute to the economic development of its community. CDCs work with the SBA and private-sector lenders to provide financing to small businesses. For more information, visit <http://www.sba.gov/financing/sbaloan/cdc504.html>.

TAX PROGRAMS

The State of Florida's Qualified Target Industry Tax Refund Program encourages quality job growth in targeted high value-added businesses. It provides up to \$5,000 per new job created; \$7,500 in an Enterprise Zone. Eligible businesses are new and expanding businesses in the state in selected industries or corporate headquarters. Contact the City's Economic Development Division for more information.

Additionally, Miami-Dade County offers the Urban Job Tax Credit Program, which provides up to \$1,000 per job for new businesses with a minimum of 20 new jobs and for existing businesses with a minimum of 10 new jobs. Contact Miami-Dade County's Economic Development Division at 305-375.4535.

The State of Florida offers a Capital Investment Tax Credit to eligible projects in designated high-impact portions of the following sectors: biomedical technology, financial services, information technology, silicon technology, and transportation equipment manufacturing. Projects must create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. The program provides an annual credit for up to twenty years against the corporate income tax.

HISTORIC PRESERVATION

In addition to the Enterprise Zone, improvements to historic properties may qualify for the Miami-Dade County Historic Preservation incentive, which provides a 10-year abatement of property taxes on the improvements.

Historic renovations should also explore the Federal Historic Preservation Tax Incentives offered by the National Park Service (<http://www.cr.nps.gov/hps/tps/tax/brochure2.htm>).

GRANTS

The Façade Renovation Grant program provides matching grants to qualifying businesses for the rehabilitation of storefronts and the correction of interior code violations. In the South Beach area, contact the Miami Beach Community Development Corporation at 305.538.0090 for more information. In North Beach, contact the North Beach Development Corporation at 305.865.4147.

Enterprise Florida offers the High Impact Performance Incentive Grant, which is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors. The federal government primarily provides grants for research and development. Below are a few websites that provide information about these grants and other types of assistance:

www.grants.gov
www.sbaonline.sba.gov/sbir/indexsbir-str.html
www.cfda.gov/default.htm
www.osc.doc.gov/osdbu/FAQ.htm#loans

WORKFORCE DEVELOPMENT

The State of Florida offers Quick Response Training Incentives, which are customized, flexible and responsive to individual company needs. Additionally, the Incumbent Worker Training Program provides training to currently employed workers to keep Florida's workforce competitive and to retain existing businesses. The program is available to businesses that have been in operation for at least one year prior to application.

SOUTH FLORIDA COMMUTER SERVICES

www.1800234ride.com offers several programs to assist employers and employees with transportation.

BROWNFIELDS

Currently, there is only one designated brownfield in the City of Miami Beach. The State of Florida offers the Brownfield Redevelopment Bonus Refund of up to \$2,500 for each job created. For more information on brownfield programs, Contact the City's Economic Development Division.

TAX EXEMPTIONS

Florida offers Sales and Use Tax Exemptions on a number of items; visit www.eflorida.com for more information.

TAX ADVANTAGES

Florida has no corporate income tax on limited partnerships, no corporate income tax on subchapter S-corporations, no state personal income tax guaranteed by constitutional provision, no corporate franchise tax on capital stock, no state-level property tax assessed, no property tax on business inventories, and there is no local income tax in Miami Beach. For more information on these and other tax advantages, visit www.eflorida.com.

ACCESS TO CAPITAL

Small Business Investment Companies (<http://www.sba.gov/gopher/LocalInformation/Small-Business-Investment-Companies/sbicfl.txt>), licensed by the Small Business Administration, are privately organized and privately managed investment firms. They are participants in a vital partnership between government and the private sector economy. With their own capital and with funds borrowed at favorable rates through the Federal Government, SBICs provide venture capital to small independent businesses, both new and already established. Florida also has an entrepreneurial networking group called the Florida Venture Forum (<http://www.floridaventureforum.com>) that can be a valuable resource.

BUSINESS RESOURCES AND CONTACTS

Building Permits, Change of Use

Miami Beach Building Department 305-673-7610
Miami Beach Fire Department..... 305-673-7123

Concurrency

Miami Beach Concurrency Division 305-673-7514

Employment

Florida New Hire Reporting Office 850-488-9000
Florida Dept of Financial Services - Workers Comp .. 850-488-2333

Licensing

Florida Dept. of Business & Professional Regulation ... 850-487-1395
Florida Division of Alcoholic Beverages & Tobacco ... 850-470-6787
Florida Dept. of Health 850-245-4273
Florida Dept. of Agriculture and Consumer Services . 850-488-3951
Miami Beach Occupational License Office 305-673-7420
Miami-Dade County Occupational License Office ... 305-270-4949
Miami Beach Risk Management Office 305-673-7014

Maintaining Your Business

Miami Beach Sanitation Department 305-673-7616
Miami Beach Code Compliance Division 305-37-7555
Miami Beach Film, Print, & Special Events Permits 305-673-7070

Sidewalk Cafes

Miami Beach Occupational License Office 305-673-7420
Miami Beach Public Works Department 305-673-7080

Smoking Amendment

Florida Dept. of Business & Professional Regulation ... 850-487-1395

Taxes

Miami Beach Resort Tax Office 305-673-7447
Internal Revenue Service 800-829-1040
Florida Department of Revenue 800-352-3671
Florida Department of Revenue - Unemployment 800-482-8293

Zoning, Conditional Uses, Signs, Design Review, Painting

Miami Beach Planning Department 305-673-7550

Business Assistance

Miami Beach Economic Development Department ... 305-673-7193
Miami Beach Chamber of Commerce 305-674-1300
Miami Beach Latin Chamber of Commerce 305-674-1231
Greater Miami Hispanic Chamber of Commerce 305-604-9876
North Beach Development Corporation 305-865-4147
Miami Beach Community Development Corp. 305-538-0090
Workforce Miami Beach One-Stop Career Center ... 305-532-5350
Small Business Administration 305-536-5521
FAU / Small Business Development Center 786-388-9040
Enterprise Community Center 305-579-2730
Beacon Council 305-579-1300
Enterprise Florida 407-425-5313
US Customs 305-869-2804
World Trade Center Miami 305-871-7910
Minority Business Development Centers 305-591-7355
South Florida Regional Planning Council 800-985-4416

MIAMI BEACH ECONOMIC INDICATORS

This report provides an annual snapshot of key economic statistics in Miami Beach, focusing on Population, Labor, Tourism and Real Estate.

MIAMI BEACH GROSS CITY PRODUCT 1997-2005

This report is an annual summary of the various industries in Miami Beach, and shows how they relate to one another, as well as the estimate of the City's overall economy.

2002 MIAMI BEACH BUSINESS DISTRIBUTION AND REVENUES

This report presents identifies the number of businesses in each industry broken down by sales volume, as well as neighborhood (South, Middle, or North Beach). This report is available for both 2-digit and 6-digit NAICS codes.

MIAMI BEACH INDUSTRY GROWTH

This report presents the trends of each of Miami Beach's industries between 1997 and 2005, for economic activity, employment, wages and productivity.

MIAMI BEACH DEMOGRAPHICS

These reports are the Demographic, Social, Economic and Housing profiles from the 2000 Census provided by the US Census Bureau.

MIAMI BEACH LABOR FORCE AND RESIDENT LABOR SUPPLY

This report summarizes the annual employment situation in Miami Beach from two perspectives: First, it presents the changes to the Resident Labor Force, which is defined as Miami Beach residents that are actively employed or seeking employment. Second, the report summarizes the total number of jobs in the City of Miami Beach. This data is combined to identify the City's net labor supply – are there enough workers living in Miami Beach to fill the total number of jobs in Miami Beach.

MIAMI BEACH INDUSTRY RESIDENT LABOR SUPPLY

This report is similar to the previous report, but with the data presented on an industry by industry basis. Although from a citywide perspective there may be enough workers for the jobs in the City, various industries may demonstrate a deficit. This report examines the industries in which the resident labor force works, and compares that to the number of jobs in each industry to identify the resident workforce characteristics of each industry on an annual basis.

2002 AVERAGE WAGE COMPARISON FOR MIAMI BEACH, MIAMI, AND MIAMI-DADE COUNTY

This report compares the average industry and sub-industry wage paid in 2002 in the City of Miami Beach, the City of Miami, and throughout Miami-Dade County. The percentage difference between Miami Beach and the other areas will be red if the average Miami Beach wage is below that of the comparable jurisdiction, or green if it is higher.

2005 MIAMI BEACH INDUSTRY AND MIAMI MSA OCCUPATIONAL WAGES

This report is organized by industry, and lists the overall average Miami Beach industry wage, along with the mean, median, entry-level and experienced average wage for occupations within that industry. The occupational wage information is not Miami Beach specific; rather it is for the overall Miami Metropolitan Statistical Area (MSA). The report lists both hourly and annual wages, as well as housing affordability estimates. The housing affordability estimates are based on 35% of the monthly wage for the occupation. This figure will be red if the amount is below the City's 2005 average rent of \$1,371, and green if it is higher.

MIAMI BEACH RESORT REVENUE – COMPARISON BY AREA

These reports present the annual spending on alcohol, food, and hotel rooms for various geographic areas. The "Total" column represents the Citywide total. North, Middle and South Beach amounts are within the Citywide total, and the Ocean Drive, Lincoln Road, Collins Avenue and Washington figures are part of the South Beach total. *The type of product (alcohol, food, rooms) is indicated in the upper right hand corner of the report.*

HOSPITALITY REVENUES

These reports provide monthly and annual information on consumer spending on alcohol, food and hotel rooms throughout the City. The information is presented for the entire city, for the various Areas (South Beach, Middle Beach, or North Beach), and for certain business districts. These are monthly reports for each geographical area. *The geographical area will be identified in the upper right hand corner of the report.*

RETAIL TRADE

This report provides 2002 information on retail establishments in both the City of Miami Beach and throughout Miami-Dade County, including size, employment, sales, wages and productivity. This report currently uses a figure of 518 square feet per employee to estimate store size.

REAL ESTATE SECTION - GENERAL NOTES

The when used in a report, the term "Multifamily Units" is interchangeable with "Apartment Buildings" or "Rental Buildings." When used generally in report titles, the term "Residential" refers to condominiums and single-family homes. When used as a report's category, "Residential" is interchangeable with "Single-Family."

MIAMI BEACH ANNUAL DISTRIBUTION OF RESIDENTIAL REAL ESTATE SALES

This Annual report provides the number of sales, average sale price, median sale price, and total sales volume for South, Middle and North Beach, as well as the percentage change from 2000-2006.

QUARTERLY AND ANNUAL RESIDENTIAL REAL ESTATE SALES

MONTHLY RESIDENTIAL REAL ESTATE SALES

These are reports that provide monthly, quarterly, and annual residential real estate sales information for Condominiums and Single-Family Homes, including the average (mean) sale price, the number of sales, the median sale price, and the total sales volume.

NEW CONSTRUCTION 2000-2004

This report presents annual unit and square feet totals for new construction by property type for properties identified in the January 1, 2005 property tax roll.

NEW CONDOMINIUM CONSTRUCTION 2000-2004

This report lists each condominium building identified in the January 1, 2005 property tax roll that was constructed between 2000 and 2004. The report also lists the total and per unit taxable value on January 1, 2005.

NEW COMMERCIAL CONSTRUCTION 2000-2004

This report lists each commercial property identified in the January 1, 2005 property tax roll that was constructed between 2000 and 2004.

MAJOR PRIVATE INVESTMENT

This report lists major private development projects that are under construction, planned, or were completed after the January 1, 2005 property tax roll.

2002 ECONOMIC CENSUS

Conducted every five years by the US Census Bureau, this report presents the Miami Beach 2002 Economic Census for each industry and sub-industry. The 6-digit NAICS report on Business Distribution and Revenues is also included.

BUSINESS PATTERNS

Miami Beach data extracted from the US Census Bureau's Countywide Business Patterns reports from 1998-2003.

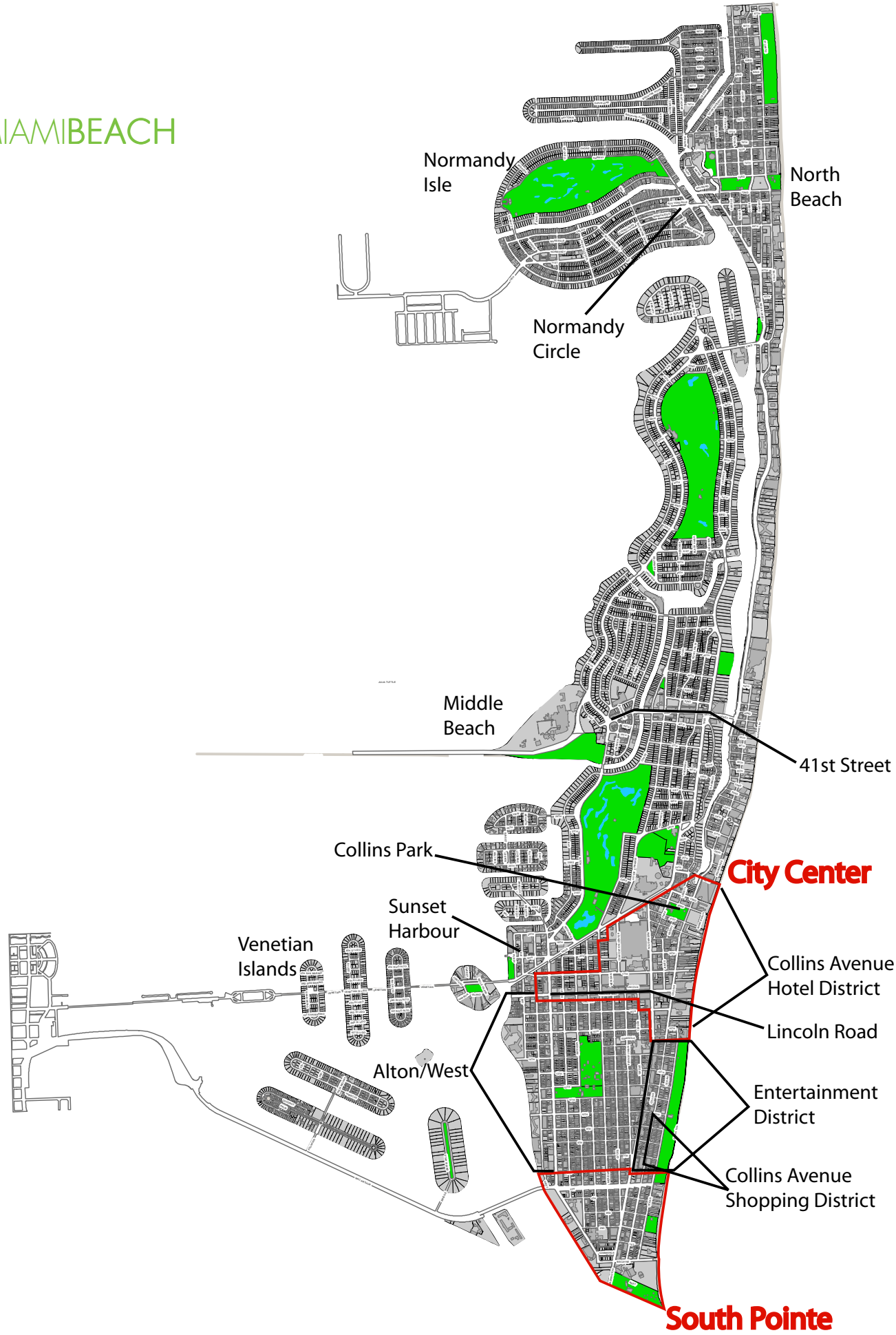
SOURCES AND METHODOLOGY

This report provides detail on the data sources used in the various reports, as well as the methodology utilized by the City for various statistical estimates.

FOR MORE INFORMATION

And to request copies of these reports, call the Economic Development Department at 305.673.7193 or email kcrowder@miamibeachfl.gov. Information may also be accessed via the 'Business' menu of the City of Miami Beach website, www.miamibeachfl.gov.

MIAMI BEACH

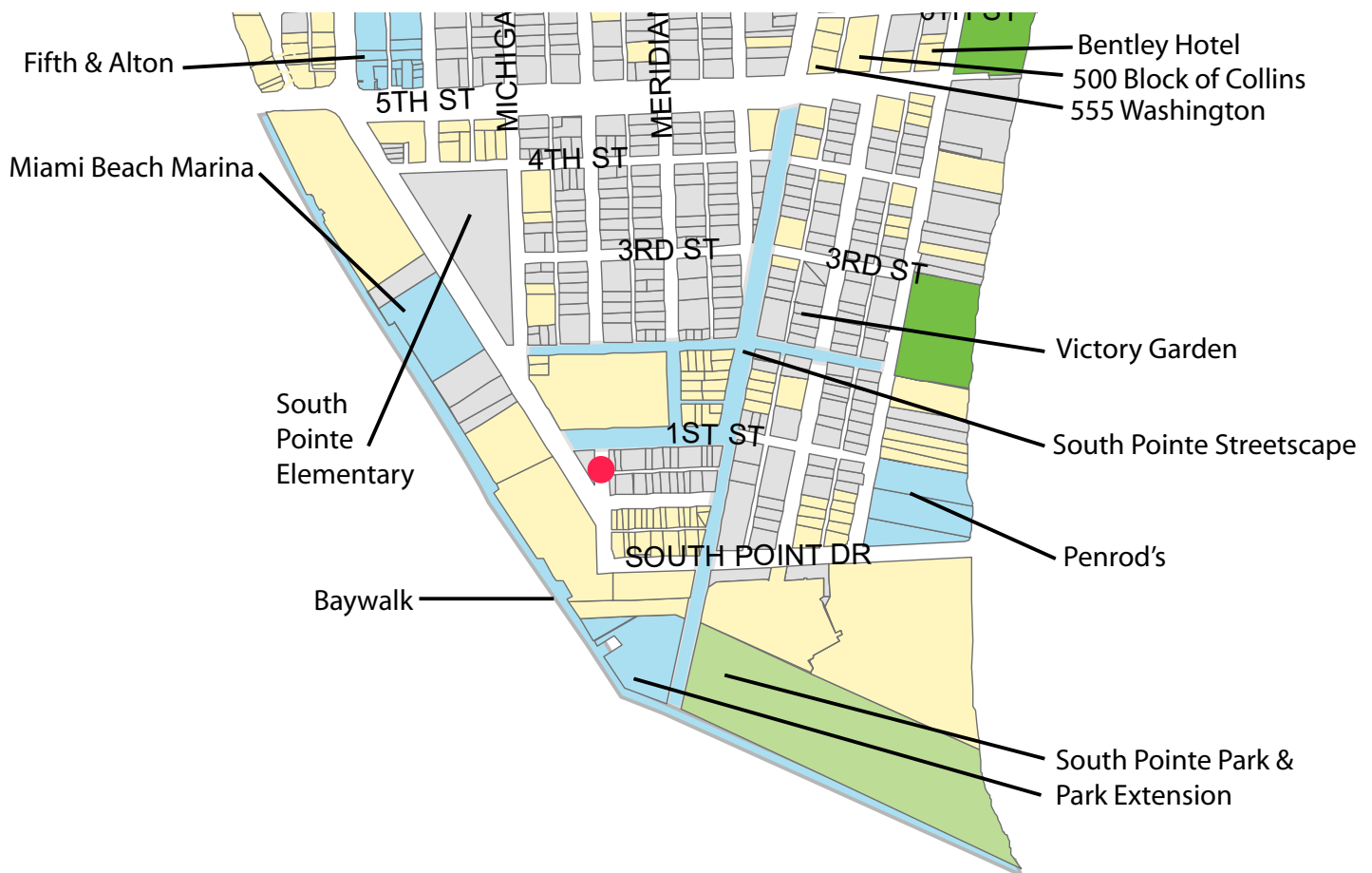


SOUTHPOINTE REDEVELOPMENT AREA

In 1976, the South Shore Community Revitalization Area was designated. This district encompasses the area South of Sixth Street, which is now known as *South Pointe*. Since the inception of the South Pointe CRA, the total taxable value of property in the district has risen from \$60 million in 1976 to \$1.73 billion 2005.

The sunseting of the district was a component of an Interlocal Agreement between the City and the County regarding the Convention Development Tax (CDT). Created in 1996 as a mechanism to fund the new Performing Arts Center, the Interlocal Agreement was amended in 2001 and in 2003 to address such issues as a potential baseball stadium for the Florida Marlins, and continued revenue for the Miami Beach Convention Center. The agreement also provided payment to the City of Miami Beach, as well as the inclusion of \$55 million for Convention Center renovation and expansion in a proposed Countywide General Obligation Bond, which ultimately passed.

A key provision of the CDT agreement was the termination of the South Pointe CRA on September 30, 2005. Since there remained committed projects in the Redevelopment Plan, this agreement provided continued tax increment funding for additional area projects.



JOINT VENTURES

Fifth and Alton

Joint Venture between the City of Miami Beach and AR&J, Sobe, LLC (Jeff Berkowitz, Alan Potamkin, Robert Potamkin). The land is privately owned, an designated brownfield, and the project has 179,000 square feet of vertical retail, including a supermarket. There are a total of 1,100 parking spaces.

Terms of the Deal:

- Developer dedicates land to the City for a transit platform on the Alton Road side;
- Developer opens the project with a Grocery Lease in place for an operator of at least 45,000 square feet;
- Developer retains the small historic structure on the southeast corner of the site;
- City vacates the alley that bisects the site with reverter conditions;
- City contributes \$9,500,000 for the construction of 438 excess/public parking spaces and 97 of the supermarket's required parking spaces (\$16,395 per parking space);
- Upon completion, City shall receive condominium ownership of 535 parking spaces;
- City operates the parking garage;
- Customers of the retail users can validate up to two hours;
- City and Developer share garage operating expenses, deficits, and profits on a pro rata basis based on the ownership of spaces;
- Developer contributes \$55 per month per space for the retail required parking spaces (\$270,000 annually) as a condition for validation;
- Developer has first option for access to additional parking spaces for retail customers.

**The Courts at South Beach and The Cosmopolitan**

In 1988, the RDA issued a Request for Proposals (RFP) for a "new residential development at the old police station site" in South Pointe. Following years of negotiation, this private-public partnership, called "the Courts", is under development between First and Second Streets, west of Washington Avenue and east of Michigan Avenue.

The overall vision was to create a Mediterranean village as an economic generator to revitalizing the area. A neighborhood orientation simultaneous with economies of scale in construction would allow this project to meet specified area redevelopment goals. However, the Courts concept was revised to include a diversifying MiMo (Miami Moderne) architectural theme for the next phase, the Cosmopolitan, which will break ground in mid-2001.



LEASE AGREEMENTS

Miami Beach Marina

The Miami Beach Marina is a City-owned, privately operated, full-service public marina, with 400 boat slips that can accommodate vessels up to 250 feet. The marina property also includes Monty's Stone Crab restaurant, Hopkins Carter and other marine related commercial uses.

Penrod's

Long known as Penrod's beach club, this is the site of Nikki Beach and Pearl Restaurant. This establishment operates under a long-term lease with the City.

PORTOFINO

SSDI North

This parcel is the location of two condominium buildings developed as part of the Portofino agreement. Icon has 285 units, and Murano Grande has 263 units. The first level of the parking garage contains parking for the Miami Beach Marina.

Yacht Club at Portofino

Another of the Portofino buildings, the Yacht Club has 361 condominium units.

Murano

Similar to the other Portofino projects, Murano has marina parking located on the first level of the garage. This project has 189 condominium units and townhomes, and is one of the most expensive residential buildings in the State.



Apogee

Apogee is a Related Group project of 70 condominium units.

Alaska Parcel / Renovation and Extension of South Pointe Park

Apogee and the extension of South Pointe Park are the result of a settlement in which 2/3 of the Alaska parcel will be used by the city for the expansion of the Park, while the remaining 1/3 will be used in conjunction with two additional parcels for the development of Apogee.

Portofino Tower and Retail

As a compliment to continuing area revitalization of the South Pointe commercial district, the ground level of the Portofino Tower will be developed as commercial retail space by the Comras Company to meet the demands of residents occupying over 1000 new residential units in the area.



PUBLICPROJECTS

South Pointe Park

The project will include landscaping, lighting, pedestrian paths, parking and maintenance facilities. Commission contract award for a Master Plan was made on January 12, 2005 to Hargreaves and Associates and an initial NTP issued on January 18, 2005. The Basis of Design Report (BODR) was presented to the General Obligation Bond Oversight Committee on July 11, 2005 and was approved by the City Commission on July 27, 2005 and an appropriation of \$14,130,000 from the South Pointe Redevelopment Agency funds for the completion of the design and the construction of the project was made. As a result, Amendment No. 1 to Hargreaves' Agreement was executed on October 19, 2005 to include additional professional services required for project completion (Design Development, Bidding and Award, and Construction Administration services). On February 7, 2006, full design approval was obtained from the Design Review Board (DRB) and on May 2, 2006, the proposed art for South Pointe Park (Art in Public Places) obtained approval from DRB. Hargreaves has completed 100% Construction Documents and these have been submitted to the City of Miami Beach Building Department for permit review. Permit process is in progress. Initial phases of Construction is expected to begin early Fall 2006.

Total Project Cost: \$14.4 Million

Total CRA participation: \$14.4 Million (\$5 Million to be reimbursed by County GO Bond)

Baywalk

As part of an agreement with the Portofino Entities, the RDA will develop the Baywalk, a pedestrian path from South Pointe Park travelling west past the Miami Beach Marina. The RDA will also oversee the refurbishing of the seawall that extends along the Baywalk.

South Pointe Streetscape

Over the next few years the South Pointe community will benefit from the South Pointe Streetscape, a five phase improvement that is the first substantial upgrade to the area's water, sewer, roadway, signalization, street lighting, irrigation and landscaping in over 25 years. It is a \$28 million right of way enhancement that will advance the quality of residential life by refurbishing the sewer and drainage systems, promoting safe pedestrian travel, increasing the urban tree canopy, mitigating vehicle congestion. Additionally, the South Pointe Streetscape will be the first subtropical use of an innovative skeletal soil mixture to prevent sidewalk pavement cracks from the root systems.

On February 4, 2004, the Commission approved the Basis of Design Report prepared by Wolfberg Alvarez. The 60% construction documents were submitted in April 2006, accepted and the design consultant is scheduled to submit the 90% design documents following the HPB approval. The Project was presented to the HPB in September 2006 and will be continued at the October 10, 2006 meeting. Phase II construction is expected to begin in 2007 and will require approximately 18 months to complete.

The City Commission approved the award of A/E contract with Chen and Associates for the Project on May 18, 2005. The kick off meeting with Chen and Associates and City Departments was held on June 10, 2005. The first and second site reconnaissance meetings were held on June 17, 2005 and June 30, 2005, respectively. A Community Design Meeting (CDRM) was held on November 28, 2005. The BODR was presented at the GO Bond Oversight meeting on April 10, 2006, and approved by the City Commission during the April 11, 2006 meeting. The 30% Design Documents will be submitted on October 2, 2006.



Since its inception, the City Center Redevelopment Area has undergone dynamic change through a combination of public and private investment initiatives. Exciting projects which have transformed the area include:

- two new convention-quality hotels, both of which were the result of public/private partnerships between the Redevelopment Agency (RDA) and the respective Developers - the 800-room Loews Miami Beach Hotel and the 425-room Royal Palm Crowne Plaza Hotel, the latter of which had the distinction of being the first African-American owned convention hotel in the United States;
- the development of an 800-space public parking garage to accommodate the parking needs for the Loews Miami Beach Hotel, the African-American Hotel and other service and retail businesses in the area;
- a \$20 million overhaul of Lincoln Road, partially funded with the participation of businesses on Lincoln Road;
- the recently completed Beachwalk project from 21st Street to Lummus Park, with an at-grade, landscaped pedestrian walkway; and,
- implementation of a Cultural Arts Campus Master Plan for the area east of the Miami Beach Convention Center, which includes a new regional library, the headquarters of the Miami City Ballet, the expansion and renovation of the Bass Museum of Art, the re-landscaping of Collins Park, to include the restoration of the Rotunda and extensive streetscape improvements throughout the area.

Tax Increment Financing (TIF) through the sale of bonds has been a major tool for financing redevelopment activities. To date, four bond issues have occurred in City Center: one in 1994 for \$25 million, to acquire land for the hotel development initiative; one in 1996, in the amount of \$43.2 million to fund contractual obligations and capital improvements related to the Loews Hotel and African-American



Hotel projects; one in 1998, in the amount of \$38.2 million to finance capital expenditures related to the convention hotel projects, the Cultural Campus project and to repay the \$21.5 million debt obligation to the City; and the most recent, which occurred in 2005, in the amount of \$80.7 million to refinance the outstanding debt service on prior bond issues.

The City and Redevelopment Agency's commitment to upgrading and improving the area's infra-structure, addressing parking and circulation issues, and facilitating new development has fueled significant new private-sector investment in the area, evidenced by more than \$600 Million in new building permit activity since the area's inception.

Since its success in attracting two convention-quality hotels, the Redevelopment Agency has been focusing its efforts on a number of initiatives aimed at upgrading the area's infrastructure, streets and parks, alleviating traffic and parking congestion and encouraging the production and presentation of arts and cultural activities in the area. In 2003, the Redevelopment Agency amended its Redevelopment Plan for City Center to specifically address these objectives in the context of the New World Symphony's expansion plans involving the 17th Street surface lots and the resulting impact to the Convention Center and businesses in the area.

JOINTVENTURES

Lincoln Place / LNR Building

LNR Property Corporation Headquarters. This is a new 140,000 sq. ft. mixed-use project with 100,000 sq. ft. of Class A office space with 30,000 sq. ft. of retail/production studio space. Designed by Nichols Brosch Sandoval, the award-winning architects of the Loews Miami Beach Hotel.

Terms of the Deal:

- Owner is City of Miami Beach
- Developer/Tenant 16th Street Partners LLC
- Project Cost: \$32,207,000
- Funded Equity: \$8,051,750
- Lease Term: 50 years with 2, 20-year extension options
- Fee upon Commencement: \$50,000
- Rent during Possession: Date thru Construction Period: \$175,000/annually (This fee represents the City's projected loss of revenue on the site)
- Base Rent at Delay Date: \$250,000 for lease years 1-5 increasing to \$300,000 for lease years 6-10.
- Base Rent Adjustments: Base rent will be adjusted at the end of the 10th lease year and every 5th lease year thereafter, based upon the lesser of 12% or the cumulative CPI over the previous 5 year period.
- Percentage Rent: At the earlier of (i) a sale of the project, or (ii) beginning in Year 9, and every Lease Year thereafter, percentage rent of 2.5% of gross revenues will be calculated in addition to base rent. Only in Lease Year 9, percentage rent will be payable if the Developer has achieved a \$7.8 million project revenue threshold and, if not, such amount of percentage rent will be payable, in equal installments over five years, in Lease Years 11 through Lease Year 15. Beginning in Year 10, and every year thereafter percentage rent will be due and payable at the end of each year (i.e. 2.5% of gross revenues) payable in the first sixty (60) days of 11th Lease Year and every year thereafter.
- Re-appraisals: If developer exercises extension options, the land will be re-appraised, based upon the terms set forth in the Lease Agreement, to determine the new base rent based upon the value in use in the 49th year and 69th year. The Base Rent will never be less than the prior year's base rent.
- Real Estate Taxes: Included and defined as Additional Rent in the event taxes are abated, waived or exempted.
- Parking Rates: Garage parking rates shall not be less than the City/Agency rates or more than comparable garage parking rates charged in Miami-Dade County. Standard rates will apply during special events and may not be increased.



Loews Miami Beach Resort

On September 20, 1996, the City of Miami Beach's Redevelopment Agency (RDA) successfully negotiated a Development Agreement with Miami Beach Redevelopment, Inc. (MBRI), a subsidiary of Loews Hotels, to build the first new convention-quality hotel in Miami Beach in over thirty years. The 800 room Loews Miami Beach Hotel opened its doors on December 23, 1998

Loews far exceeded the profit projection prepared by Tishman Hotel Corporation, the RDA's project consultant in the first year of operation. The hotel has generated a significant increase in the City's resort tax, convention development tax, and utility tax proceeds. The Loews was critical in area revitalization efforts, generating over 900 new jobs. The hotel has also served as a catalyst for other new hotel projects in the area. Over \$700 million in private and institutional investment in 2,950 hotel rooms has transformed Collins Avenue into one of the most prestigious resort hotel corridors in the world.

Since its opening, the Loews project has received numerous awards including the Florida Redevelopment Association's *Outstanding Rehabilitation, Renovation or Reuse Building Project* and *Management Programs and Creative Partnership* and the *National Economic Development Partnership Award* from Council of Urban Economic Development.

Development Agreement

Owner:	Miami Beach Redevelopment Agency
Tenant:	An affiliate of Loews Hotels Holding Corporation
Funding Sources	
First Mortgage:	\$66,000,000
Loews Cash Equity:	\$15,000,000
Agency Cash	\$29,000,000
Loews Shortfall Resv.	\$10,000,000
Agency Land Acq.	\$20,600,000
Base Rent:	\$500,000 per year escalating every 10 years
Additional Rent:	Distribution of net cash flow is set on a tiered basis of 0% to 100% to the Agency based on various criteria.
Purchase Option:	While Agency's bonds are outstanding, Loews may purchase the land at the greater of (1) appraised fair market value, or (2) amount determined by the net cash flow tier.

Ground Lease / Management Agreement

Term:	30 years with four 15-year renewal options
Base Fee:	3% of hotel revenues
Marketing Fee:	1.25% of hotel revenues
Radius Restriction:	No convention property within Dade County and North to include the City of Fort Lauderdale
FF&E Reserve:	1% of hotel revenues in year 1, 2% in year 2, 3% in year 3, and 4% thereafter.

Garage Development and Garage Easement Agreement

Description:	Agency will reopen 16th Street and construct an 800-space garage on the south side. Hotel has priority use of 560 spaces.
Payments	560 space use to the hotel for \$550,000 annually, with revenue sharing between the hotel and the Agency.

Hotel Development Agreement and Completion Guarantee

Development Fee:	3% of project cost minus \$1.45 million
Fee Waivers"	Agency agrees to pay or waive City and County building, permit and impact fees. Developer will reimburse Agency all County fees pursuant to annual payments of principal and interest over 30 years.

Convention Center:	For the life of the Agency (2023), the Hotel will block 650 rooms per day for 14 days out of every month. The Hotel may release any blocked rooms for which a contract has not been received 2 years in advance of the reservation. The Hotel will participate in bidding for lodging for citywide meetings on a competitive basis.
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Royal Palm Crowne Plaza Resort

In conjunction with incentives created for the Loews Hotel project, the City secured the site of the former Royal Palm and Shorecrest Hotels to provide another convention quality hotel as well as to support the first African-American owned convention hotel. As a result, R. Donohue Peebles and Donohue Development Company constructed an elegant convention hotel with 424 rooms that opened in 2003.

Key provisions:

Term:	100 years.
Funding Sources:	
Minority Partners	\$3,000,000
Holiday Hospitality Corp.	\$6,000,000
First Mortgage	\$40,000,000
Agency Interest	\$10,000,000
Total:	\$59,000,000



Cash Distributions

Base Rent:	\$220,000 per year to the Agency, escalating in the 10th, 15th, and 20th years of operations in an amount equal to the increase in GDP implicit price deflator index.
Add'l Rent:	\$270,000 per year to the Agency.
Incentive Rent:	\$20% of the annual gross revenues from operation of the Hotel over \$17,900,000 per year. The incentive rent shall be capped at \$200,000 per year.
Purchase:	The Agency may require RDP to purchase the Agency's interest in the Hotel of \$10,000,000 plus the required average return at the time of each refinancing, to the extent refinancing proceeds are sufficient. Alternatively, RDP may purchase all or part of the Agency's interest at any time.

Management Agreement and Ground Lease

Operator:	The Hotel will be operated by Crowne Plaza as a first class convention property in the Crowne Plaza Hotels chain.
Term:	15 years with the option to renew for successive 5-year terms so long as HHC is an Equity Owner.
Radius:	Without Agency consent, Tenant shall not operate a property of comparable quality consisting of 300 or more rooms of a 600 room hotel with 40,000 s.f. of meeting space within the area of Dade County.
FF&E Reserve:	3% of Hotel Revenue in year 1, 4% in year 2, and 5% thereafter.
Convention Center:	For the life of the Agency (2023), the Hotel will block 333 rooms per day for 14 days out of every month. The Hotel may release any blocked rooms for which a contract has not been received 2 years in advance of the reservation.
Restaurant:	RDP shall enter into a Lease Agreement to lease approximately 12,000 s.f. of retail space to a destination type restaurant in the Shorecrest Hotel.

Garage Development and Garage Easement Agreement

The Hotel will have the right to use 174 parking spaces on a nonexclusive basis for \$156,000 annually. The Hotel will receive a portion of the revenues generated by the garage.

Buyout of the Loews and Royal Palm Hotels

On December 2, 2004, the Loews Hotel exercised the purchase option to acquire the land, land improvements and the building for a total price of \$27.5 million net of closing costs. Similarly, on February 16, 2005, after extensive renegotiation efforts to avoid potential litigation with RDP Royal Palm over alleged construction and environmental delay claims, the RDP Development Inc. exercised its right to purchase the land and improvements underlying the Royal Palm Hotel for \$23.4 million. Together these resulted in one-time proceeds of almost \$40 million to the City Center RDA. The City and Agency can now "recycle" these funds into a new public/private partnership creating a new economic development project that is expected to generate a recurring revenue stream to the City of Miami Beach and the Miami Beach Redevelopment Agency.

New World Symphony Soundspace Project and City Center Park

The New World Symphony (NWS) has entered into a Development Agreement with the City of Miami Beach wherein NWS will build a new 700 seat educational performance and internet broadcasting facility not to exceed a building footprint of 50,000 sf and, acting as Developer on behalf of the City, will construct a 320+ space parking garage facility on the Development Site. The site is located on a site bounded by 17th Street to the north, Lincoln Lane to the south, Pennsylvania to the west and Drexel Ave. to the east.

Per the Development Agreement, the New World Symphony presented the concept design for the Development Site to the City Commissioners on Sept 8, 2004. The design submitted by Gehry Partners included an urban design concept for the Development Site as well as the entire block to the east of the Site, encompassing two city blocks. The project design includes the performance venue for NWS, a public parking garage for 475 cars with an option to expand to 644 cars, and a public park on the lot east of Drexel Avenue. The New World Symphony project was presented as an integrated complex designed by the renowned architect Frank Gehry on the two-block site. The Commissioners favorably approved the project concept plan for the location of the NWS building and the parking structure.

Gehry Partners presented a design for the project that extends beyond the specific site boundaries and addresses a larger vision for the heart of Miami Beach. At the center of the project is a public park, tentatively referred to here as City Center Park. It is bounded on the north by the Jackie Gleason Theater for Performing Arts, a historically significant existing cultural facility, and to its west, the proposed New World Symphony SoundSpace designed by architect Frank Gehry. A Park has been envisioned for this site for some time, and is a part of the current District Master Plan. City Center Park establishes itself as an important forecourt for the SoundSpace project and creates a celebratory view corridor from Washington Avenue along the east edge of the Park. What results is a strong sense of place and a unique synergistic opportunity for the city to collaborate with the New World Symphony to enrich the cultural life of Miami Beach.

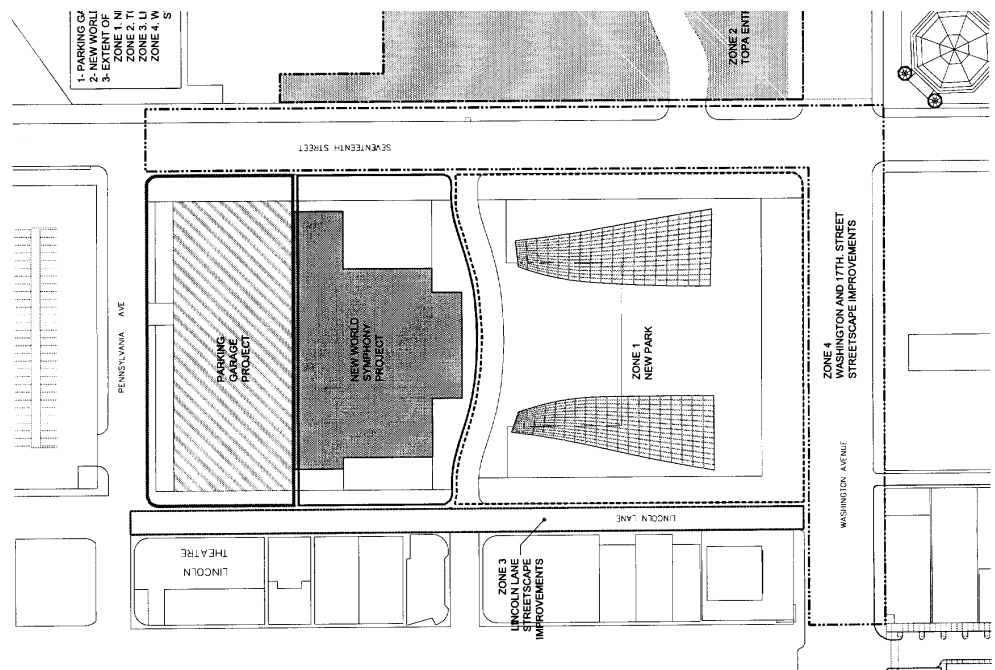
The entire project on both sides of Drexel Avenue will be unified by a cohesive landscape design and plaza design. An important feature of the New World Symphony performance facility is a large exterior video screen, which will allow broadcast images into the Park for performances, festivals and civic events. There is a synergy between the NWS project and the Park that will promote and encourage cultural and education activities in this rare and much needed public open space.

Pursuant to the direction of the City Commission on September 8, 2004 and consistent with the Planning Board's August 24, 2004 recommendation that the entire two (2) blocks, including the Park, be designed as an integrated site, Gehry Partners LLP was asked to submit a proposal and cost estimate to undertake design services for the proposed Park. The proposal was submitted for review by the Finance and Citywide Projects Committee at its meeting on October 26, 2004.

The Committee recommended in favor of amending the Development Agreement between the City and NWS to expand the NWS' scope to include the design and development of the Zone 1, comprising the park, Drexel Avenue between North Lincoln Lane and 17th Street and improvements adjacent to the new garage, at the Owner's cost and expense, not to exceed \$10,000,000; Zone 2, comprising the Theater of the Performing Arts entry landscaping at the Owner's cost and expense, not to exceed \$1,150,000; and Zone 3, comprising North Lincoln Lane improvements, at the Owner's cost and expense, not to exceed \$500,000.

On January 9, 2006, in accordance with the timeline specified in the Development Agreement, NWS submitted the preliminary plans and specifications for review and comment by the Administration. To the extent that the plans do not deviate from the concept that was approved by the City Commission on September 8, 2004, the City Manager is required to grant approval for NWS to proceed with design development. On January 27, 2006, the City Manager authorized NWS to proceed with design development, subject to comments and concerns submitted by Planning and Zoning and other departments which reviewed the plans.

Separately, but related to the implementation of the 17th Street Master Plan and the realization of



NWS' plans, the architectural firm of Perkins and Will, Inc. has been contracted to undertake the programming and design of the Multipurpose Municipal Parking Facility. This will be a six deck parking facility with five floors of office space facing Meridian Avenue that will be located South of City Hall on the existing street level parking lots. The parking facility will have five hundred and fifty parking spaces and the office building, 35,000 square feet of office space which has been assigned to various City departments.

The architect is reviewing the feasibility of adding an additional level to the parking facility based on revised projected utilization. The impact of adding an additional level will add about five to six weeks to the project design schedule. Design is continuing on the basis of six levels, until an item is forwarded to the Mayor and Commission for approval to proceed with an additional level, of parking and is expected to be 100% completed by the end of October, 2006

"Letters of Interest" to prospective Bidders, on the construction of the project, were advertised on July 12, 2006 with responses received by July 28, 2006. Ten of fifteen respondents indicated that they would be interested in bidding the project.

Total Project Cost: Soundspace - Min. \$40 million; Parking - \$5 million; Park - \$10 million

Total CRA participation: TBD

The Lincoln

A very similar joint venture to Lincoln Place, this is a 140,000 square foot office building with ground floor retail, including Lucky Strikes, a 16-lane bowling alley that is a convergence of bowling and nightlife.

Terms of the Deal:

Owner:	City of Miami Beach
Developer/Tenant	Lincoln Plaza Partners LLC
Project Description:	711 space parking garage, 34,510 s.f. of retail, 106,000 s.f. of office.
Project Cost:	\$30,644,340
Funded Equity:	\$7,661,085
Lease Term:	50 years, wiht 2, 20-year extension options
Fee upon Execution:	\$50,000
Possession Date:	One year from commencement date. Private land is deeded to the City at this time with a reverter in the event construction does not commence.
Security:	Upon possession, one year of base rent will be provided as security deposit until C.O. is issued.
Rent during possession:	\$175,000. This fee represents the City's projected loss of revenue on the site.
Base Rent at delay Date:	\$250,000 for lease years 1-5 increasing to \$300,000 for lease years 6-10.
Base Rent Adjustment:	Adjusted at the end of the 10th lease year and every 5th year thereafter, based upon the lesser of 12% or the cumulative CPI over the previous 5 year period.
Percentage Rent:	At the earlier of a sale of the project or beginning in year 9, and every year thereafter, 2.5% of gross revenues will be calculated in addition to base rent.
Parking Rates:	Garage parking rates shall not be less the the City/Agency rates or more than comparable garage parking rates charge d in Miami-Dade County.



LEASE AGREEMENTS

The Fillmore Miami Beach at the Incredible Jackie Gleason Theatre

The City is currently in negotiations with Live Nation for the operation and management of the 2,700 seat Jackie Gleason Theater for the presentation of live entertainment

PUBLIC PROJECTS

Anchor Shops and Parking Garage

The Anchor Shops and Parking Garage (Anchor Place), located at 16th Street between Collins and Washington Avenue, was built to meet the parking and retail needs of the recently opened Loews Miami Beach Hotel and the soon to open Royal Palm Crowne Plaza. The garage has 803 spaces and 20,106 square feet of ancillary retail space fronting Collins Avenue.

Beachwalk

Alternative transportation project, which incorporates pedestrian, bicycle and roller travel along the City's magnificent ocean shore. This paved boardwalk will extend from 21st Street to Lummus Park and will connect to the existing, raised wooden walkway.

City Hall Expansion and Garage

A 550-space mixed-use parking facility to be built on the surface parking lot on the west side of City Hall, which will include 35,000 square feet of municipal office space.

Miami Beach Botanical Garden

The Miami Beach Garden Conservancy has initiated efforts to achieve accreditation of the Botanical Garden through the American Association of Museums. To this end, the Conservancy has been working with the City of Miami Beach and the RDA to define the scope of capital improvements required to achieve this goal. The City identified approximately \$1.5 Million from Series 2000 General Obligation Bonds to undertake the improvements. In July 2003, following an RFQ selection process, EDAW was selected to undertake the planning and design of the facility. A first design workshop was held in May 2004 and a second was held on September 21, 2004. CIP staff met with EDAW in November and December 2004 to further refine a preferred concept which could be presented at a final design workshop. An additional meeting was held with EDAW on February 15, 2005 and a tentative final concept plan agreed on. The project however exceeded the available budget and therefore the Administration placed the project on hold until either additional funds could be identified or the scope could be revisited. The project has been on hold since.

A grant in the amount of \$17,500 has been recently awarded from the Miami-Dade Department of Cultural Affairs toward a new irrigation system. The City has agreed to match the amount and assist the Garden Conservancy with the implementation of these improvements. The Administration is recommending to the City Commission on October 11, 2006 the Termination for Convenience of the Agreement with EDAW and will pursue other avenues of implementing the project with the available funding.

Total Project Cost: \$1.5 million

Total CRA participation: None – TBD

Lincoln Road Pedestrian Mall

Lincoln Road is a 12 block commercial district that stretches from the Atlantic Ocean to Biscayne Bay. It is one of the hottest shopping streets in the country with a retail rebirth generated by an extensive \$20 million overhaul involving streetscape, landscape, and other aesthetic improvements. Retail names include: Banana Republic, Gap, Pottery Barn, Williams-Sonoma, Jewelry Exchange, Mayor's Jewelers, Swatch, Victoria's Secret, bebe and Sunglass Hut's.



Colony Theater

The Colony Theatre is now completed in the new and renovated portions. All installations such as electrical, mechanical and audio visual have been completed. A Temporary Certificate of Completion (TCC) was granted by the Building Department in January 2006. A Certificate of Substantial Completion was issued by the consultant of record on January 17, 2006 as well. Punch lists have been prepared by the A/E and project managers and completed by the contractor. Some additional change orders have been submitted by the construction manager which have been evaluated, negotiated and approved. Additional regulatory issues raised during final inspections have been completed. Final Certificate of Completion is pending. The theater is currently in use under the TCC. The City intends to have a Grand Opening celebration before the end of the year.



Total Project Cost: \$7.7 Million

Total CRA participation: \$5.5 Million – Construction

City Center Right-Of-Way Projects

The City Center Right of Way (ROW) Infrastructure Improvement Project is a \$19 million infrastructure project which includes the restoration and enhancement of right-of-ways/streetscapes throughout City Center, including roadway, sidewalk, curb and gutter, landscape, streetscape irrigation, lighting, potable water, and storm drainage infrastructure as needed. Proposals were received in response to an RFQ for architectural and engineering services for the planning and design of the project. The selection process resulted in a contract award to Chen and Associates by the City Commission on September 8, 2004. A project Kick Off meeting and Site Visit were held in November 2004. The Visioning Session was held in April 2005. The first and second CDW were held on May 24, 2005, and on June 30, 2005, respectively. The BODR was presented and approved by the Commission on October 19, 2005, and as an informational item at the December 2005 meeting of the Historic Preservation Board.

The 30% plans were received in March 2006, and the 60% design documents on September 18, 2006. The 60% documents are currently being reviewed by City Departments. The 90% design documents are scheduled for delivery in February of 2007. However, Lincoln Road between Washington Avenue and Ocean Drive is anticipated to be fast tracked.

The estimated budget for the project is \$21.1 million, comprised of \$2.1 million in soft costs and \$19 million in hard construction costs.

CULTURALCAMPUS

Implementation of a Master Plan calling for the development of a new regional library, streetscape and park improvements to link cultural activities in the area, including the Bass Museum and the Miami City Ballet. This second focal point of the City Center CRA created a "cultural campus" or Museum District, which houses the innovative Miami City ballet building, the renovated Bass Museum and the new Miami Beach Regional Library. Each project was designed by internationally renowned architects: Arata Isozaki (Bass Museum), Arquitectonica (Ballet) and the Robert M. Stern (Library). One feature of this Museum District is the crafting of a gourmet hotel corridor, rehabilitation of Art Deco and MiMo hotels that cater to arts patrons and seasonal visitors. An RFQ process resulted in the selection of MC Harry & Associates to undertake the design process for Collins Park and the remainder of the streetscape. The Basis of Design Report was presented to and approved by the City Commission at their October 19, 2005 meeting. The project was approved by the Historic Preservation Board at their July 2006 meeting. The old library has been demolished and the site has been temporarily restored. The consultant has delivered 60% construction documents which are currently being reviewed by the City.

Total Project Cost: \$18.4 Million – includes land acquisition, completed and proposed streetscape, park and surrounding infrastructure improvements.

Total CRA participation: \$15.3 Million.

Collins Park Parking Garage

The City has begun discussions with the landowner of a property adjacent to a city-owned parcel about the joint venture development of a parking garage to serve the Cultural Campus and to provide retail for the area.

Cultural Arts Neighborhood District Overlay

The Cultural Arts Neighborhood District Overlay (CANDO) is the area between 24th Street and Lincoln Road, including the Cultural Campus and the Collins Avenue Oceanfront Hotel District. The mission of CANDO is to guide the designation of the district; brand, market and promote the district; work with the appropriate City departments, property owners, and developers to create opportunities to attract arts related residential, retail, and living/work spaces. CANDO can be the catalyst to help spur a wonderful and successful neighborhood for arts related and mixed-use community gathering.



NORTH BEACH

Retail Outlet	6930 Collins Avenue	Retail	4,467 sq. ft.	New	2002
Akoya	6365 Collins Avenue	Condominium	420 units	New	2004
Ocean Blue	7600 Collins Avenue	Condominium	104 units	New	2004
Bath Club	5937 Collins Avenue	Condominium	107 units	New	2005
Aqua Condominiums	250 63rd Street	Condominium	100 units	New	2005
Aqua Townhomes	250 63rd Street	Townhomes	46 units	New	2005
Bel Aire	6515 Collins Avenue	Condominium	176 units	New	2005
The Collins	6917 Collins Avenue	Condominium	250 units	Renovation	2005

MIDDLE BEACH

Blue Diamond	4775 Collins Avenue	Condominium	343 units	New	2000
Green Diamond	4779 Collins Avenue	Condominium	343 units	New	2001
The Meridian	2001 Meridian Avenue	Condominium	120 units	New	2005
Fontainebleau II	4441 Collins Avenue	Condominium	462 units	New	2005

SOUTH BEACH

Marriott South Beach	161 Ocean Drive	Hotel	236 units	New	2000
Ralph Lauren	740 Collins Avenue	Retail	7,974 sq. ft.	New	2000
Grand Flamingo	1536 Bay Road	Rental (Converting)	513 units	New	2001
Waverly	1330 West Avenue	Rental (Converted)	408 units	New	2001
Lincoln Place	1601 Washington Avenue	Office	110,000 sq. ft.	New	2001
555 Washington	555 Washington Avenue	Office	6,500 sq. ft.	New	2001
Portofino Retail	500 South Pointe Drive	Retail	30,000 sq. ft.	New	2001
Murano	1000 South Pointe Drive	Condominium	189 units	New	2002
Parking & Retail	959 West Avenue	Parking/Retail		New	2002
Atlantic Center	119 Washington Avenue	Office	40,000 sq. ft.	New	2002
Bentley Beach	101 Ocean Drive	Condo/Hotel	114 units	New	2003
Murano Grande	400 Alton Road	Condominium	268 units	New	2003
Royal Palm Crowne Plaza	1535 Collins Avenue	Hotel	422 units	New/Renov.	2003
Continuum	100 South Pointe Drive	Condominium	310 units	New	2003
500 Block of Collins	500 Collins Avenue	Retail	50,000 sq. ft.	New	2004
Setai	2001 Collins Avenue	Condominium	133 units	New	2004
Cosmopolitan	200 Washington Avenue	Condominium	233 units	New	2004
5th and Michigan	1001 5th Street	Office	38,000 sq. ft.	New	2004
Bentley Bay	520 West Avenue	Condominium	194 units	New	2005
Hotel Victor	1144 Ocean Drive	Hotel	91 units	New/Renov.	2005

NORTH BEACH

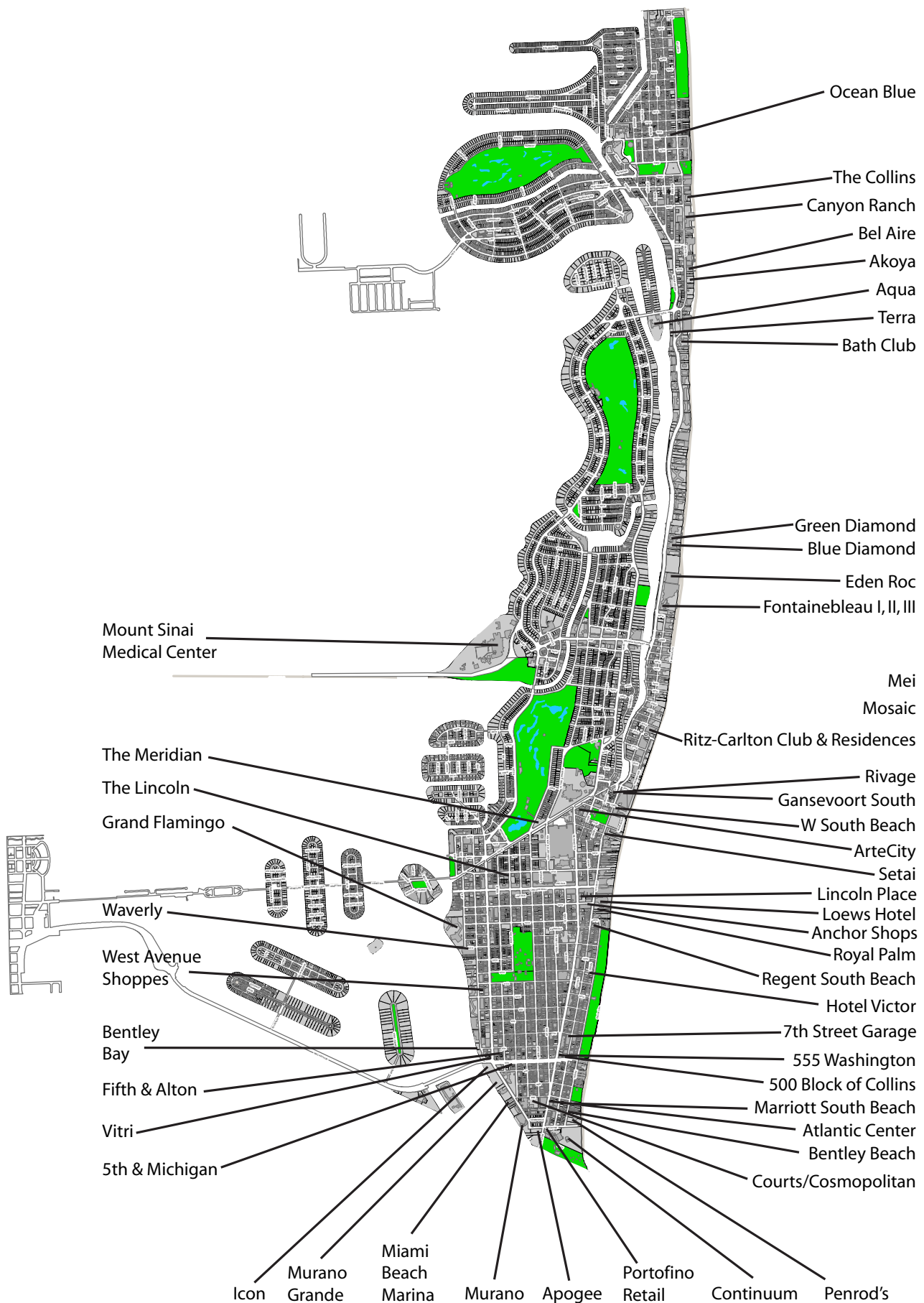
Terra Lofts	6000 Collins Avenue	Condominium	117 units	New
Canyon Ranch Living	6801 Collins Avenue	Hotel	160 units	Renovation
Canyon Ranch Living	6801 Collins Avenue	Condominium	467 units	New
280 S Shore	280 South Shore Drive	Condominium	28 units	New
1975 Calais	1975 Calais Drive	Apartments	10 units	New

MIDDLE BEACH

Fontainebleau	4441 Collins Avenue	Hotel	1200 units	Renovation
Fontainebleau III	4441 Collins Avenue	Condominium	311 units	New
Ritz-Carlton Club & Res.	2901 Collins Avenue	Condo/Hotel		New/Renov
5875 Collins	5875 Collins Avenue	Condominium	134 units	New
Eden Roc	4525 Collins Avenue	Hotel		Renovation
Mount Sinai Medical Ctr.	4300 Alton Road	Medical Offices		New
Mei		Condominium		New
Mosaic		Condominium		New

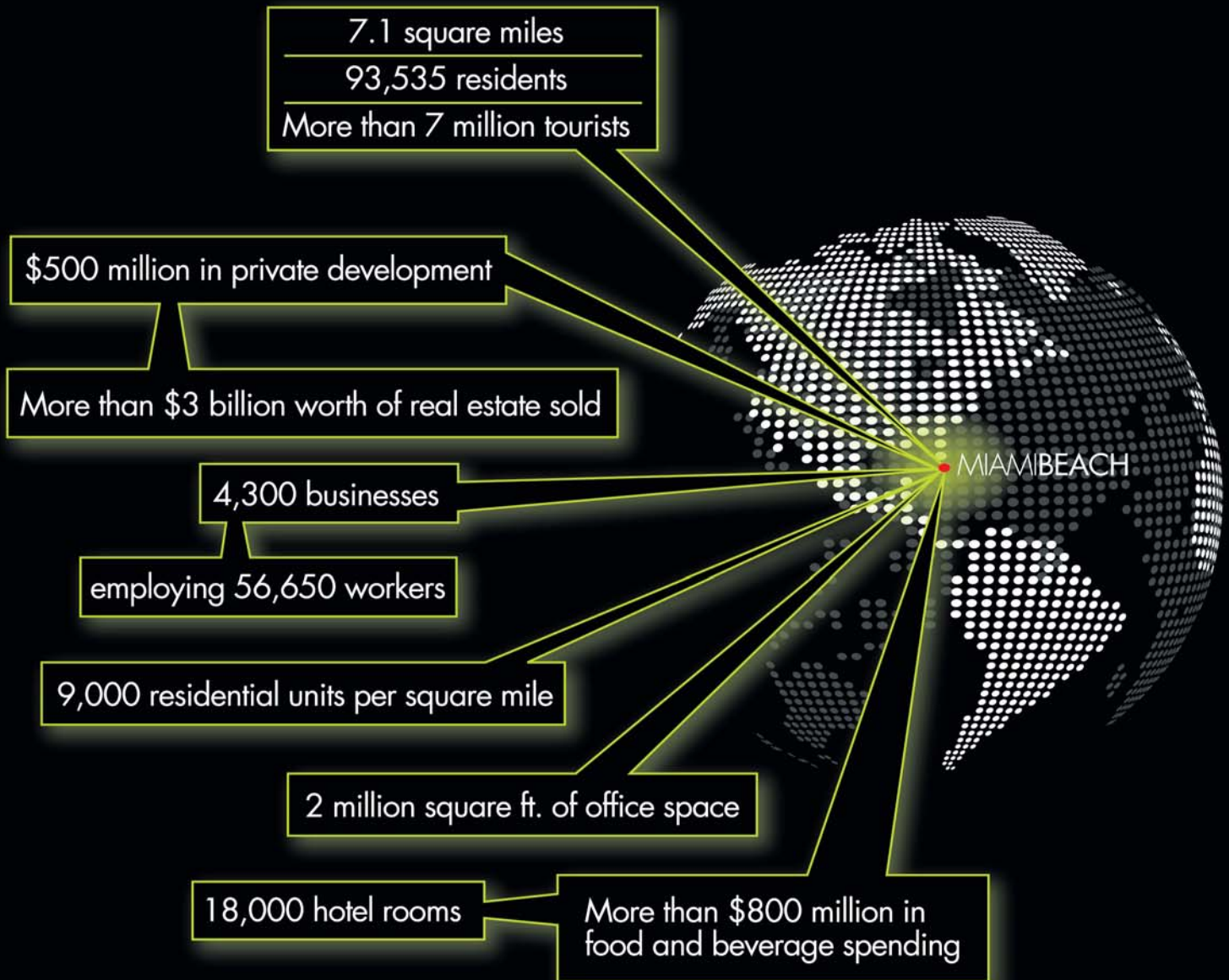
SOUTH BEACH

Vitri	500 Alton Road	Condominium	66 units	New
Continuum 2	100 South Pointe Drive	Condominium	400 units	New
Rivage	2360 Collins Avenue	Condominium	43 units	New
ArteCity	435 21st Street	Condo & Hotel	160 units	New
Fifth and Alton	501 Alton Road	Retail	179,000 s.f.	New
460 Ocean	460 Ocean Drive	Retail		New
Delano	1685 Collins Avenue	Hotel	200 units	Renovation
Apogee	900 South Pointe Drive	Condominium	62 units	New
Regent South Beach	1450 Ocean Drive	Hotel	80 units	New
Gansevoort South	2301 Collins Avenue	Condo & Hotel	593 units	Renovation
W Hotel South Beach	2201 Collins Avenue	Hotel	462 units	New



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